Private money tarnsfer operators

83. SHRI CHO. S. RAMASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are planning to give permission for money transfer operations to private parties;

(b) if so, by when, it is likely to be implemented;

(c) what are the guidelines for selection of such private operators; and

(d) in what manner public will be benefited by this scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Reserve Bank of India (RBI) has reported that it has received requests from some of the companies for approval for conducting business of money transfer services within the country. No decision has been taken by RBI on these requests so far.

Streamlining of tax structure

84. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are planning to take a hard look at the tax structure in the country;

(b) whether the Tax/GDP ratio is steadily falling which now stands at 14.8 per cent as against a high of 16.07 per cent in 1989 and 15.81 in 1991;

(c) whether the main reason for this its attributed to unmerited exemptions in both personal and corporate taxes especially software and agriculture sectors; and

(d) if so, what are Government's plans in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACANDRAN):

(a) Review of the tax structure is a continuous process and necessary legislative changes are made every year as part of the annual budgetary exercise; and

(b) The tax-GDP ratio in 1990-91 was 10.1 per cent after declining to a level of 8.2 per cent in 1998-99, the ratio has steadily risen in recent years to reach a level of 9.2 per cent in 2000-2001.

(c) and (d) In view of reply to part (b) do not arise.

Decline in market value of rupee

85. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that constant decline in the market value of rupee is a matter of concern and is fraught with serious consequences;

(b) whether it is also a fact that it happened at a time when economic fundamentals are favourable for a stable rupee;

(c) if so, the reasons therefor; and

(d) the steps being taken to shore up the value of rupee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The exchange rate of rupee is largely market determined. The rupee has depreciated against the US dollar, the Euro and the Pound sterling by 4.2 per cent, 2.1 per cent and 0.8 per cent respectively, while it has appreciated against the Japanese Yen by 8.8 per cent during April-January 2001-02, over the corresponding period of 2000-01. The movements of rupee, especially against the US dollar and the Euro, are consistent with maintaining/improving India's external competitiveness.

(c) and (d) The day-to-day movements in exchange rates are determined by the demand and supply conditions in the foreign exchange market and short-term factors. The primary objective of the Reserve Bank in regard to the management of the exchange rate